



# The Perpetual Improvement Cycle

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## Introduction

Let's start by defining the meanings of Data and Information. By definition, Data is a fact while Information is an answer to a question.

Every single day, the corporations of the world generate countless amounts of data but not a lot of information. These systems are known as “data rich, information poor”.

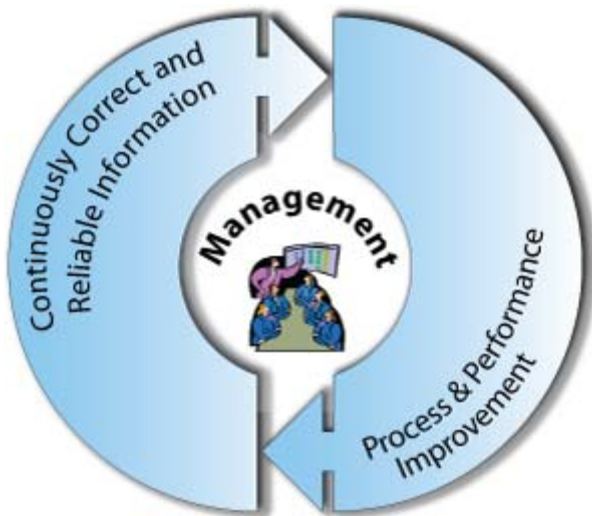
There have been many attempts to improve the information content. Today's Information Systems are providing more comprehensive analytical as well as reporting tools. Many corporations have adapted large Business Intelligence (BI) initiatives to gather data from multiple sources into a single location to allow “One Stop Shopping” for information instead of having to go through multiple systems.

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*In today's competitive business world, having access to information is key to maintaining a competitive edge. It is information that allows corporations to assess their position in the market and accordingly make the right decisions going forward.*

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However, most of these systems suffer from a common shortcoming: The information is unreliable and the data is riddled with errors.



Unreliable Information causes the users to stop relying on the information since they cannot trust it. Without information, all corporate improvement strategies and decision making processes will suffer. Over time, the information system will completely lose its relevance and will become abandoned and obsolete.

This paper will focus on the “Perpetual Improvement Cycle”: Production and Performance Improvements will not happen without the management's access

to Correct and Reliable Information. On the other hand, Correct and Reliable Information will not be generated without the management's constant scrutiny of the information while pushing to achieve their initiatives.

# Information Visibility & Awareness creates the “Perpetual Improvement Cycle”

Effective Information Visibility & Awareness can start a perpetual cycle towards both Information improvement and Process/Performance Improvements (Corporate Initiatives).

Now, let’s focus individually on the two components of the Perpetual Improvement Cycle:

- Continuously Correct and Reliable Information
- Process and Performance Improvements (Corporate initiatives)

## Continuously Correct and Reliable Information

In many corporations, the credibility and quality of the information gathered from the existing information systems is often under suspicion.

As a result, the management is often skeptical and will not rely on this information in their daily decision making process.

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The source of such problems is usually one or both of the following:

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## Incorrect Data generation

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Data is generated either by the users or through interfaces with third party systems or hardware.

### *Bad data generation by user*

The users could cause generation of bad data due to lack of knowledge, training or simply lack of care and attention. Usually, this type of problem can go unnoticed unless further checking and verification is performed by the supervisors or managers.

### *Bad data generation by the process*

In such cases, incorrect data generation occurs as a result of bugs in the information system, hardware issues, interfaces with third party software and hardware, etc. Again, these problems will not be noticed and corrected without user awareness.

## **Incorrect "Information" generation**

There are cases where management reports show incorrect information even though the underlying data is correct. These problems usually occur as a result of Incorrect KPI definitions or Information system bugs

### *Lack of Standardization*

Sometimes, there are inconsistencies in the definitions of KPI formulas within a corporation. For example, the definition of "Utilization" may vary in two different departments even though their functions are similar. Such inconsistencies cause confusion when planning or analyzing the performance initiatives. It is the responsibility of the management to ensure well defined and standard KPI definitions throughout the corporation.

### *Information system bugs*

There is a good possibility that the underlying programming for the reports is faulty. In this case, these faults need to be fixed.

Unless the information matters enough to be scrutinized on constant basis, it will never be correct. The problems mentioned above will not get resolved without direct scrutiny from the management. The management's constant attention to Production and KPI reports, hence, persistence for having correct and up-to-date information has proven to be the only effective solution for maintaining correct data and information across the corporation.

## **Process/Performance Improvements**

Once the information is correct and the trust in the correctness of the reports is restored, the management can start relying on the information in their day to day decision making process.

Correct and real-time information is essential in maintaining the edge in today's competitive business world. It allows a company to stay ahead of the curve by providing the means for making critical decisions quickly and effectively.

## Conclusion

The management's involvement is essential in keeping the Perpetual Improvement Cycle in motion. In today's business world, the management should maintain close ties with the information systems.



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However, in most cases, due to the complexities of the information systems, the management relies on system experts within the corporation to generate the needed information and deliver it to them. There are several downsides to this routine:

- The information may not be in real-time and up-to-date.
- Management has to wait on others to bring the information to them instead of getting the information whenever they want.
- Management becomes disconnected from the information systems. The same systems for which they have invested great money and man-power.

The management should:

- Demand correct and up-to-date information.
- Have continuous awareness of the information.
- Have the information delivered to them on timely basis, consistently.
- Stay focused on initiatives and ensure that the information is relevant to achieving those initiatives.
- Ask specific questions about the information systems. If the management shows that they are aware of these systems, more care will be made by the users and system experts to maintain them.